

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

December 12, 2008

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Kauai

Forfeiture of Revocable Permit No. S-7282, Lara Butler dba Keapana  
Horsemanship, Permittee, Wailua, Kawaihau, Kauai, Tax Map Key: (4) 3-9-02 :  
portion 20.

PURPOSE:

Forfeiture of Revocable Permit No. S-7282, Lara Butler dba Keapana Horsemanship,  
Permittee.

LEGAL REFERENCE:

Section 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Wailua situated at Wailua, Kawaihau, Kauai, identified  
by Tax Map Key: (4) 3-9-02: portion 20, as shown on the attached map labeled Exhibit  
A.

AREA:

156 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES

CHARACTER OF USE:

Equestrian pasture, pasture, commercial horseback trail riding and accessory purposes.

COMMENCEMENT DATE OF PERMIT:

Commenced on August 24, 2001.

MONTHLY RENTAL:

\$232.00

REMARKS:

Pursuant to the provisions contained in Revocable Permit S-, Lara Butler dba Keapana Horsemanship, Permittee, was mailed a default notification letter dated October 16, 2008 for:

- ☐ Failure to keep lease rental payments current
- ☐ Failure to post required security deposit
- ☐ Failure to post required fire insurance policy
- ☒ Failure to post required liability insurance policy

This notice offered the Permittee a thirty-day cure period to correct the default. This cure period expired on November 16, 2008. As of December 4, 2008, this breach has not been cured.

As of December 4, 2008, the current status of all permit compliance items is as follows:

RENT: The Permittee has a rental delinquency of \$32.00 for the balance of rent for November 1 to 31, 2008 and \$282.00 for the time period from December 1 to 31, 2008.

INSURANCE: The Permittee has failed to post the required commercial general liability insurance policy. Expired August 8, 2008.

SECURITY DEPOSIT: The Permittee has posted the required security deposit.

Permittee's two year history of defaults: Delinquent rent letters were sent on January 20, 2006, July 28, 2006, October 18, 2006, January 26, 2007, February 13, 2007, September 4, 2007, October 5, 2007, December 4, 2007, July 11, 2008, August 19, 2008,

September 4, 2008.

Delinquent insurance letter was sent on July 28, 2006.

In a letter from ARK International Group North American Horsemen's Association dated September 25, 2008, Ms. Butler-Brady's insurance policy was cancelled as of October 6, 2008.

In correspondences from Ms. Butler-Brady, she has cited economic hardship and claims without the long-term lease she is unable to obtain financial assistance. Furthermore, she has claimed the State's bad-faith effort because only she is sent delinquent notices not the other Kalepa tenants. (Exhibit B)

Staff notes that other Kalepa tenants have received notices from Land Division ranging from delinquent rent, lack of insurance, etc. Staff did contact Agribusiness Development Corporation (ADC) about the long-term lease. The lease or license is not automatic and will only be offered to qualified permittee(s). The permittee will have to submit among other things: a business plan, evidence of experience, copies of bank statements, credit worthiness, financial backing, and references. With few exceptions, the ADC board will only approve business plans consistent with the master plan developed for the area. Lastly, the permittee will have to pay market rent determined by an appraisal. Ms. Butler-Brady rent has remained at \$232 per month since February 1, 2002. Lastly, would ADC's requirements of compliance by a permittee be different from Land Division's, the response was no. A copy of this submittal was sent to ADC.


RECOMMENDATION: That the Board:

1. Authorize the cancellation of Revocable Permit No. S-7282 in the manner specified by law;
2. Authorize the retention of all sums heretofore paid or pledged under Revocable Permit No. S-7282 to be applied to any past due amounts;
3. Terminate the permit and all rights of Permittee and all obligations of the Permitter effective as of **December 31, 2008**, provided that any and all obligations of the Permittee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that Permitter reserves all other rights and claims allowed by law; and
4. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under

Revocable Permit No. S-7282 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,



 Marvin Mikasa  
Land Agent

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson





LINDA LINGLE  
GOVERNOR OF HAWAII



LAURA H. THIELEN  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
LAND DIVISION

3060 Eiwa Street, Room 205A

Lihue, Hawaii 96766

PHONE: (808) 274-3492

FAX: (808) 241-3535

September 4, 2008

TO: Central  
FROM: KDLO  
Refer: RP S-7282  
No.:

CERTIFIED MAIL

Ms. Lara Butler  
Dba Keapana Horsemanship  
P.O. Box 186  
Hanamaulu, Hawaii 96715

Dear Ms. Butler:

Subject: Revocable Permit No. S-7282

RECEIVED  
LAND DIVISION  
2008 SEP 11 A 9:25  
DEPT. OF LAND &  
NATURAL RESOURCES  
STATE OF HAWAII

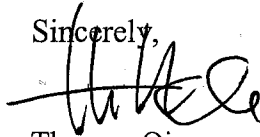
According to our records, we have not yet received your rent payment of \$78.00 for the month of June 2008; \$232.00 for the month of July 2008; \$50.00 late fee; and \$232.00 for the month of August 2008. Due to your delinquency, we are unable to recommend to the Land Board the renewal of your month-to-month revocable permit for another one (1) year. This letter gives you thirty (30) days from the day you receive our letter to resolve the delinquency. If the delinquency is not resolved within the thirty (30) days, you have to vacate the premises and completely remove your personal property from the premises, including any improvements that you own and would like to remove. If you have not vacated by this date, we will commence eviction action, including confiscating any items remaining on the premises.

If you no longer wish to continue holding this revocable permit, please write to us requesting the revocable permit be cancelled, effective in twenty-five (25) days. Furthermore, you are expected to leave the premises in a clean and orderly condition. If any clean-up is required upon final inspection of the premises, we will charge any amount owing against your security deposit. If the amount of your security deposit is inadequate to cover these costs, then the amount will be billed to you and, if unpaid, will be sent to a collection agency.

EXHIBIT "B"

If you have any questions on this matter please call my office at 274-3491.

Sincerely,



Thomas Oi  
Kauai District Land Agent

cc: Land Board Member  
Central File

TO: Central  
FROM: KLO

10/1

# DEPARTMENT OF LAND AND NATURAL RESOURCES



FISCAL OFFICE  
P.O. BOX 621  
HONOLULU, HAWAII 96809-0621  
(808) 587-0353  
08/12/08

DOCUMENT NUMBER

rp7282

COST CENTER: 0550

SOURCE: 1721

TOTAL DUE: \$824.00

LARA BUTLER  
DBA KEAPANA HORSEMANSHIP  
P.O. BOX 186  
HANAMAULU, HI 96715

PLEASE DISREGARD THIS BILL IF PAYMENT HAS BEEN MADE

AMOUNT PAID: \_\_\_\_\_

PLEASE DETACH AND RETURN ABOVE PORTION WITH YOUR PAYMENT FOR PROPER CREDIT

REFERENCE		APPTO	BILLING PERIOD	DESCRIPTION	AMOUNT
DATE	NUMBER				
06/01/2008	C-134041	Total Chg	06/01/2008 - 06/30/2008	Rentals, Temporary Permits (06/2008)	232.00
06/01/2008	C-134041	R-218783	Received: 07/30/2008	GR00029 PAYMENT	454.00
06/01/2008	C-134041	Balance Due	06/01/2008 - 06/30/2008	Rentals, Temporary Permits (06/2008)	78.00
07/01/2008	C-135580	Balance Due	07/01/2008 - 07/31/2008	Rentals, Temporary Permits (07/2008)	232.00
08/01/2008	C-136846	Balance Due	08/01/2008 - 08/31/2008	Rentals, Temporary Permits (08/2008)	232.00
08/01/2008	C-137655	Balance Due	*:Late1	Late Fee	50.00
09/01/2008	C-138126	Balance Due	09/01/2008 - 09/30/2008	Rentals, Temporary Permits (09/2008)	232.00

Please Make Check Payable To: "Land & Natural Resources"

PAST DUE AMOUNTS MAY BE SUBJECT TO A 1% PER MONTH FINANCE CHARGE AND A LATE FEE  
THE STATUS OF YOUR ACCOUNT IS AS FOLLOWS:

CURRENT	1-30	31-60	61-90	TOTAL DUE
232.00	282.00	232.00	78.00	\$ 824.00

DOCUMENT  
NUMBER

rp7282



RP 7282

TO: DLNR Land Board RECEIVED  
AND DIVISION

9/5/08

Attn: Laura Thielan

Fr. Keapana Horsemanship AD 10305 Lake Butler - Brady

Dear Board members

2008 SEP -8  
DEPT. OF LAND &  
NATURAL RESOURCES  
STATE OF HAWAII  
MAIL

9/5/08

I HAVE HAD A COMMERCIAL TRAIL RIDE  
on my RP lands for over 6 years. THROUGHOUT  
that time, business earned is not enough or  
"in time" to pay the many obligations I  
have paid out - of pocket. This year its worse.

Gas prices are obscene & our feed cost  
has DOUBLED. Conversely, business  
was 25% of normal. So you want more  
money and I make less.

I your office does not receive a  
payment by "your due date", it is not  
because I don't want to, its because  
there IS NO MONEY. I always pay  
my bill, but the extra charges and  
threatening letters are not helpful.

9/9/08  
KAD  
Until the long term lease is granted, I  
am unable to get any FINANCIAL AID and  
have been doing this OUT-OF-POCKET.

MY Family has SACRIFICED any semblance of  
a home, <sup>basic</sup> comforts, time or enjoyment  
because of our 18 hr a day commitment  
to this land. We have tied our selves to the bone

585599

and it would be nice if my land agent  
was a little more than WORTHLESS  
and HOSTILE. It will not take 1 second  
to help me & acts like I am a imposition.  
DLNR has collected \$20,000 from me  
and I have taken all the risk, had  
criminals shoot my horses, vandalize,  
destroy my fence lines, & bleed me  
dry of time, energy, passion,  
commitment & persistence.

Please consider some leniency where  
warranted & help me maintain this  
project, not cut off my head.

One problem is that the \$50 fees you  
charge me are ILLEGAL BECAUSE. they  
are/were not charge from the beginning  
of my permit. This kind of "Whenever  
DLNR Fiscal want s to charge" fees are  
unethical and infuriating. <sup>Those fees would  
make me current</sup>

I Have \$K of insurance to pay now, and  
September Slow Season upon us.

Also keep in mynd that I have yet to  
litigate 5+ counts of discrimination to  
levy against Kawai Land Agent & DLNR-Oahu  
and will not hesitate to fight to the death for  
as many years as it takes to hold my project  
& 1 million plus investment. Sincerely,  
Lava Brady

SEP 12 '08

PM 1:24:15

RP7282

To Tommy O1 Kanan Land Division,  
Fr. Keapane Horseman ship 9/9/08

Dear Mr. O1,

I am in receipt of your letter and have been waiting for mainland check to clear and others to pay me their delinquent bills.

2008 has seen a 40% increase in costs and an 80% slash in income. It is much harder to keep up with all our obligations, but we are doing our best and have sacrificed to the bone to keep up with this project. Insurance will be contentious with no lapses, but Paperwah is always slow and not within dates given. I was not delivered a QUOTE until 2 DAYS before it was due.

This is not my fault and this underwriter has done this to me every year. I have been in operation.

When this check clears, a check for cash will go to PNR prior to cover through end of August 08.

- I DO NOT WISH TO CANCEL PERMIT
- I EXPECT MY LONGTERM LEASE AS PROMISED

(2)

I ask that you be helpful some  
instead of hostile and advise me at  
being a scam. I have covered this  
project OUT OF POCKET and have too  
much invested to give up and walk away.

Thank you for your time, and I apologize  
that my computer blew up and I  
must subject you to handwritten copy.

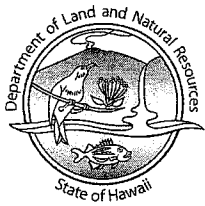
- BY the way, Your letter was not sent  
certified mail as noted on the top of  
letter and was received 9/9/08

Sincerely,

Lawrence B. Burt

RP 57282

LINDA LINGLE  
GOVERNOR OF HAWAII



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

October 16, 2008

LAURA H. THIELEN  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI  
FIRST DEPUTY

KEN C. KAWAHARA  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

Ref: KD-RP7282

LARA BUTLER  
DBA KEAPANA HORSEMANSHIP  
P.O. BOX 186  
HANAMAULU, HI 96715

Dear Permittee:

SUBJECT: Revocable Permit No. S-7282

A review of your file indicates you have not submitted a current liability insurance certificate. The insurance certificate on file expired August 8, 2008. Please submit a current liability insurance certificate naming the State as additional insured.

This letter gives you thirty (30) days from the day of receipt of this letter to resolve the problem.

If you no longer wish to continue holding this revocable permit, you need to write to us requesting the revocable permit be cancelled effective in 25 days.

Should you have any questions, please contact Mr. Thomas Oi at our Kauai District Land Office at (808) 274-3491.

Very Truly Yours,

A handwritten signature in black ink that reads "Charlene E. Unoki".

Charlene E. Unoki  
Assistant Administrator

cc: District Files  
Central

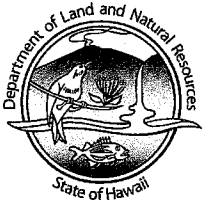
Kic  
10/16/08

LINDA LINGLE  
GOVERNOR OF HAWAII



RP 7282

LAURA H. THIELEN  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
LAND DIVISION

3060 Eiwa Street, Room 205A  
Lihue, Hawaii 96766  
PHONE: (808) 274-3492  
FAX: (808) 241-3535  
October 13, 2008

TO: Central  
FROM: KDLO  
No.: RP-7282

CERTIFIED MAIL

LARA BUTLER-BRADY  
DbA: KEAPANA HORSEMANSHIP  
P.O. BOX 186  
HANAMAULU, HAWAII 96715

**SUBJECT: REVOCABLE PERMIT NO. S-7282**

Dear Permittee:

You are delinquent on the insurance requirement certificate. According to our records, your commercial general liability insurance policy expired on **10/6/2008**.

According to your Revocable Permit No. S-7282, under condition 14, you must have a policy or policies of commercial general liability insurance.

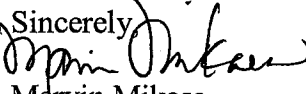
On September 30, 2008 and October 3, 2008, phone messages were left to bring your delinquencies up to date. No correspondence was received from you regarding these matters.

If we do not receive your certificate of insurance promptly, we will be pursuing termination of your permit at an upcoming Board meeting. Please note that while you may submit your certificate of insurance prior to the meeting, the Land Board still may uphold the termination of your permit if you have a history of delinquencies or other violations.

Attached is a draft of the board submittal.

Therefore, you are strongly encouraged to submit a certificate of insurance and correct any outstanding delinquencies.

If you have any questions, please call the Kauai Land Division Branch at 274-3491.

Sincerely,  
  
Marvin Mikasa  
Land Agent

cc: Land Board Member  
Central Files

RP7282

Kauai  
Office  
Equipment, inc.



3184 Akahi Street, Lihue, Kauai, Hawaii 96766

Phone: (808) 245-4061

Fax: (808) 245-6125

DATE: 10/22/08 TIME: 12:15 pm  
TO: DNR Land Board Staff FAX: (808) 687 0455  
ATTENTION: RP termination 10/24 mty  
FROM: Lara Butler-Brady DBA Keapana HorsemanShip  
NUMBER OF PAGES (INCLUDES THIS PAGE) 3

**PLEASE CONFIRM THIS FAX**

Testimony opposed to termination

10/27 cy: KDLO

RECEIVED  
LAND DIVISION  
2008 OCT 22 P 3:03  
DEPT. OF LAND &  
NATURAL RESOURCES  
STATE OF HAWAII

To DLNR Land Board Marvin Mikasa

Dear Sir,

I am in receipt of your October 13 and 16<sup>th</sup> letters on October 21, 2008. Evidently there is a land board meeting in the 24<sup>th</sup> and I was not informed until yesterday. According to my phone records on file, there were NO CALLS from Kauai land agent on the dates you mentioned. This seems to me another willful attempt to keep me uninformed so to sabotage my ability to defend myself. I also was NOT SENT YOUR LETTER CERTIFIED MAIL. These are 2 out and out lies that Tommy Oi is caught and guilty of and what is my recourse to be? I also suspect that he is guilty of libel and slander because he seems to act without my knowledge and never offers his services in any way but to try to evict me. He shows malicious intent to impede my business- federal law, by the way and he jumped the gun to start proceedings to evict me when he thought I had no insurance. He never called to ask, secretary never delivered my messages and my insurance paperwork seems to have been "lost" since October 7. I am having a hard time believing the statements in your letter to be factual and in good faith.

I did call Kauai Land Board office (around 10/8 or so) and told Aubrey that I was changing insurance carriers. She evidently wasn't listening. My insurance carrier says that they faxed you a copy of my new policy on October 7 and that "Marvin" accepted it (that would be you who signed the letter that says certified but is not), so how can you draft letters to me a week later saying you have not received it when this is an out and out lie.

My new policy was faxed to 2 locations, today, October 22, and my payment for October rents will be in the mail on Monday. The month is barely started and not over when I paid it, so how can I be delinquent? This is another in a long line of discriminatory actions dealt to me by DLNR over the years and Tommy Oi, especially, has harassed and sexually discriminated against me from the first day he assumed the seat. I am in compliance and unless you are this heavy handed with every lease in the State then, I am being discriminated against because I am a whistle-blower on corrupt politics in the Kauai land office.

I still recall the theft of tone of rock from MY LEASE by Sanchez and Brown Trucking that Oi swept under the rug and I have still not been compensated. There are also quite a few other incidents that are corrupt that I have yet to be satisfied over and this gives me a lengthy list of grievances to litigate over. We can start with a Land agent falsifying written testimony on 2 counts, libel and slander as a result, withholding documents to manipulate the situation to appear that I am in default when it is the agent that has committed FRAUD.

Also the fiscal office does not post payments or present clearly the account status and this is to manipulate extra fees to charge. To date I have paid \$2056 of my yearly \$2320 rents putting me well within compliance. I sent in an \$824 payment on September 11 and on the statement it says I paid \$232. This is a form of embezzling and also not in good faith as well as further Evidence of manipulation on DLNR business dealings.



All of the thefts, killings and vandalisms that have occurred are not addressed and enforcement office take my reports and seems to sweep it under the rug and do nothing. I have suffered \$95,000 of losses due to this. I am not being allowed to defend myself or recoup my losses. This is the very essence of dealing in bad faith and committing fraud on DLNR'S part.

2008 have seen \$27,000 cut in income for 8 month period ( it should be 45K in total receipts), which is about 60% drop and at the same time, a 40% increase in costs. This is across the board for farm/ranch businesses. Unless every other lease in the state is being held to this SAME level of critique, (and I know they are not,) then your office is impeding my business by discrimination. Prove to me you are holding everyone else to this measure or we will ask the judge.

I would prefer that your office give me the 20 year lease promised and support the ranchers instead of cutting off their legs behind their back.

My hour at the library is nearly up so I do not have time to edit this properly but the main points are present. I will be happy to answer and questions you have to clear this up and hope that this letter brings me back into good standing on paper.

I am faxing this to you because it is the only way to get this to you before the hearing and I strongly request and suggest that you not terminate my permits because I am NOT in default, documentation is fraudulent and you agent has falsified testimony to you. If my request is not granted, I will be forced to litigate to fullest extent of the law all of the sins that your agents have committed without Oahu staffs knowledge. Call me the whistleblower!

Lara Butler Brady  
DBA Keapana Horsemanship

